

NATIONAL DAIRY MARKET AT A GLANCE

At the Chicago Mercantile Exchange (CME), all grades of butter are unchanged: Grade AA is \$0.9200, Grade A is \$0.8100, and Grade B is \$0.7800. In the first cash cheese trading session at the CME, barrels closed at \$1.1500 and 40# blocks also closed at \$1.1500. The market for barrels opened trading at \$1.1700 and 40# blocks opened at \$1.1800. (The opening prices were the same as the final prices at last week's closing session at the National Cheese Exchange.)

According to ERS and AMS, commercial disappearance of dairy products during December 1996-February 1997 totals 38.2 billion pounds, 2.1% more than the comparable period a year ago. Comparing disappearance levels with the same period a year ago: butter is down 1.2%, NDM dropped 5.6%, fluid milk products are off 0.6%, American cheese increased 7.4%, and other cheese is up 4.5%.

During April, the FAS accepted DEIP bids totaling 14,429 MT of NDM, 141 MT of dry whole milk, 151 MT of cheese, and 3,442 MT (adjusted to butter equivalent) of butter/anhydrous milkfat. These totals compare to the following April 1996 acceptances: 5,690 MT of NDM, 521 MT of dry whole milk, 695 MT of cheese, and no butterfat. The program to date (July 1996-April 1997) acceptances total: 42,099 MT of NDM, 1,633 MT of dry whole milk, 1,535 MT of cheese, and 4,271 MT of butter/anhydrous milkfat. Because of interim program extensions, comparisons to the previous program totals are not available.

Milk production is at or near its seasonal peak in most of the southern regions of the country while increasing slowly in the more northern sections. Fluid milk supplies are often excessive of current bottled milk needs. Manufacturing plants in many regions are operating at or near capacity levels. Some cheese makers are reluctant to take more milk and make more cheese in a weakening market. Fluid cream is readily available for the fair, but improving demand. Demand for condensed skim is slowing now that NDM prices are at or below those for wet solids.

The dry dairy product markets, as a whole, remain weak. Nonfat dry milk production is heavier in all regions and producers' stocks are accumulating. Demand is lackluster and spot buyers continue to wait for better prices. The dry buttermilk market is still quite firm, but resistance to the very high prices is evident and prices are mixed. The dry whey market is weak. Offerings are heavier than current demand can clear and stocks are accumulating at some plants. Demand is slow to fair. Buyers are waiting for lower prices while producers are resisting further discounts. The WPC market is paralleling the dry whey market. Stocks are more than ample and spot demand is slow to fair.

SPECIAL THIS ISSUE

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BUTTER MARKETS**CHICAGO WHOLESALE**

Dollars per pound, trucklot, bulk in fiber boxes, delivered metropolitan area, prices include CCC purchase price whenever bulk butter is moving to CCC from the Midwest area.

GRADE	APRIL 29	MAY 1	MAY 2
AA	\$0.9200 - 0.9300 : (+.0100) (+.0100):	\$0.9200 - 0.9300 :	\$0.9200 - 0.9300 :
A	\$0.8100 - 0.8200 : (+.0100) (+.0100):	\$0.8100 - 0.8200 :	\$0.8100 - 0.8200 :

() Change from previous price.

BUTTER HIGHLIGHTS: At the Chicago Mercantile Exchange, prices are unchanged. Churning schedules remain heavy in most areas of the United States. Stocks are readily available for current needs and are being held with confidence for future use. Western stocks are available for spot sale and are clearing at 4 - 5 cents under the Chicago AA trading level, FOB. Buying interest is fair. Due to the recent price increase, buying interest has improved as some buyers feel that butter prices have attained their seasonal low.

CHEESE MARKETS**WISCONSIN ASSEMBLY POINTS**

Dollars per pound, standard moisture basis (37.8-39.0%), carlot/trucklot, F.O.B. plants or storage centers, prices include CCC purchase price whenever cheese is moving to CCC from the Midwest area.

CHEDDAR STYLES	APRIL 28 - MAY 2, 1997
BARRELS*	\$1.1500 - 1.1750 (NOMINAL) (-.0050)
40# BLOCKS	\$1.1600 - 1.2000 (NOMINAL) (-.0300) (-.0250)

() Change from previous week. * If steel, barrel returned.

CHEESE HIGHLIGHTS: The cheese market remains weak. Prices declined from the opening levels in the first cash cheddar cheese market at the Chicago Mercantile Exchange. Trading was moderate. Demand remains mostly weak and unaggressive. Current offerings remain ample to burdensome. Prices are near the levels needed to clear surplus product to the CCC, at least from Western producers. Cheese production is steady to heavier. For results of CCC market price cheese purchases, turn to page 11 of this report.

CHICAGO MERCANTILE EXCHANGE**BUTTER TRANSACTIONS ON FRIDAY, MAY 2, 1997**

(CARLOT UNIT = 40,000 - 42,000 LBS.)

GRADE	LAST SIGNIFICANT TRANSACTION - LST
N.C.	\$0.9200 : BID
A	N.C. : \$0.8100 : BID 04/25/97
B	N.C. : \$0.7800 : BID 04/25/97

SALES: NONE

BIDS UNFILLED: NONE

OFFERS UNCOVERED: NONE

CHEESE TRANSACTIONS ON THURSDAY, MAY 1, 1997

(CARLOAD UNIT = 40,000-44,000 LBS.)

CHEDDAR STYLES	PRICE CHANGE	LAST SIGNIFICANT TRANSACTION
BARRELS	N.A.	\$1.1500 : OFFER 05/01/97
40# BLOCKS	N.A.	\$1.1500 : SALE 05/01/97

SALES: 5 CARS 40# BLOCKS @ \$1.1500 (LST)
8 CARS BARRELS:
4 @ \$1.1600, 4 @ \$1.1575

BIDS UNFILLED: NONE

OFFERS UNCOVERED: 3 CARS 40# BLOCKS @ \$1.1800
10 CARS BARRELS:
5 @ \$1.1575, 2 @ \$1.1600, 3 @ \$1.1500 (LST)
3 CARS 40# BLOCKS (9 MOS. OLD) @ \$1.8100

COMMERCIAL DISAPPEARANCE: TOTAL MILK AND SELECTED DAIRY PRODUCTS--DEC. 1996-FEB. 1997 AND YEAR-TO-DATE 1995-96^{1/}

Item	Dec.1995- Feb.1996	Percent change ^{4/}	Dec.1996- Feb.1997	Percent change ^{4/}	Jan.-Dec. 1995	Percent change ^{4/}	Jan.-Dec. 1996	Percent change ^{4/}
Million Pounds								
<u>MILK</u>								
Production	38,322	0.4	38,175	-0.4	155,425	1.1	154,331	-1.0
Marketings	37,956	0.4	37,846	-0.3	153,863	1.2	152,903	-0.9
Beginning Commercial Stocks ^{2/}	3,858	-8.1	4,685	21.4	4,263	-6.3	4,099	-3.8
Imports ^{2/}	644	-10.8	706	9.6	2,936	2.0	2,911	-0.8
Total Supply ^{3/}	42,458	-0.6	43,237	1.8	161,062	1.0	159,913	-1.0
Ending Commercial Stocks ^{2/}	5,055	6.8	4,971	-1.7	4,099	-3.8	4,704	14.8
Net Removals ^{2/}	16	-98.7	76	375.0	2,106	-56.2	91	-95.7
Commercial Disappearance ^{3/}	37,387	1.7	38,190	2.1	154,857	3.0	155,118	-0.1
<u>SELECTED PRODUCTS ^{5/}</u>								
Butter	339.0	7.0	334.9	-1.2	1,182.5	7.8	1,171.5	-1.3
American Cheese	771.2	2.2	828.4	7.4	3,145.7	3.8	3,240.2	2.7
Other Cheese	989.0	2.0	1,033.7	4.5	4,094.7	1.0	4,186.8	2.0
Nonfat Dry Milk	251.0	12.5	237.0	-5.6	924.5	0.7	1,003.0	8.2
Fluid Milk Products ^{6/}	14,142.4	0.6	13,904.6	-0.6	55,113.5	-0.3	55,796.7	1.0

^{1/} Commercial disappearance includes civilian and military purchases of milk and dairy products for domestic and foreign use, but excludes farm household use and USDA donations of dairy products. Disappearance is a residual figure and therefore can be affected by any inaccuracies in estimating milk production, on-farm use, stocks, and imports. ^{2/} Milk-equivalent, milkfat basis. Calculated using slightly different factors than previously. Further changes may be made as technical parameters become available. ^{3/} Totals may not add because of rounding. ^{4/} From year earlier on a daily average basis. ^{5/} Commercial disappearance in product pounds. ^{6/} Sales. Estimate based on actual sales in Federal milk order marketing areas and California. These sales figures have not been adjusted for calendar composition. **SOURCE:** Economic Research Service, USDA. Fluid milk products - Agricultural Marketing Service, USDA. This information is now available through AutoFAX. To request a document, dial (202) 219-1107 and enter document number 11521 when prompted.

PRINT BUTTER MARKETS - GRADE AA**NORTHEAST**

Prices are one cent higher, but the market tone remains weak. Many contacts were mildly surprised by the up-tick in prices at last Friday's (4/25) Chicago Mercantile Exchange. They state that with churning activity remaining heavy and demand for butter being just fair, why are prices moving upward? In the Northeast, churning activity is heavy and volumes of surplus milk and cream are more than ample. Retail sales of print butter are just fair. Anecdotally, prices at retail outlets are unchanged from several weeks ago (typical in a down market) which tends to curtail sales. Food service orders are starting to show signs of improvement in some quarters.

WHOLESALE PRICES: MIN 25 BOXES
DOLLARS PER POUND, DELIVERED EAST COAST CITIES

1/4 LB. PRINTS	:	1.1300-1.3775
1 LB. PRINTS	:	1.0450-1.2275
CHIPS/PATTIES	:	1.1075-1.2775
REDDIES	:	1.1825-1.3775
CONTINENTALS	:	1.2625-1.4375

CENTRAL

Butter markets are unsettled following the 1 cent increase in AA butter at the Chicago Mercantile Exchange April 25. The market tone is unsettled, although many producers feel that prices will maintain current levels for a while. Churning schedules are seasonally active. Although cream supplies are readily available, some butter producers are reporting slightly lower volumes available to the churn with ice cream production on the increase. Buying interest is fair at best. Some buyers feel, due to the slight increase in prices last week, butter prices have reached the seasonal low and now are positioning for further adjustments. Stocks of bulk butter are building in more locations and being held with confidence.

FOB CENTRAL STATES PLANTS: MIN 20,000 POUNDS, \$ PER POUND

1/4 LB. PRINTS	:	1.0200-1.4275
1 LB. PRINTS	:	.9850-1.1475
CHIPS/PATTIES	:	1.0100-1.2200
REDDIES	:	1.0925-1.3300
CONTINENTALS	:	1.2500-1.4400

WEST

Print butter prices adjusted slightly higher following AA bulk butter trading at the Chicago Mercantile Exchange April 25. Western churning activity continues to run near capacity levels. Cream volumes are readily available, although ice cream production continues to pull cream away from butter churns. Some butter producers, trying to control butter inventories, are selling cream versus churn at this time. Current butter buying interest is seasonally fair. Bulk stocks are heavier than current demand is clearing. Some producers are offering bulk butter at 5 cents under the Chicago AA price and receiving mixed buyer interest.

WHOLESALE SELLING PRICES: DELIVERED WESTERN CITIES
150 - 1000 POUNDS, DOLLARS PER POUND

1/4 LB. PRINTS	:	1.2050-1.2525
1 LB. PRINTS	:	1.1225-1.1950
PATTIES	:	1.1750-1.3425
REDDIES	:	1.3025-1.3225

FOB CALIFORNIA PLANTS - GRADE AA
100 CASES AND UP, DOLLARS PER POUND

1/4 LB. PRINTS	:	.9100- .9500
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WEEKLY COLD STORAGE HOLDINGS - SELECTED STORAGE CENTERS
IN THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKS

	BUTTER	:	CHEESE
		:	
04/28/97	29,298	:	113,613
04/01/97	18,671	:	105,786
CHANGE	+10,627	:	+ 7,827
% CHANGE	+ 57	:	+ 7

CHEESE MARKETS

NORTHEAST

Prices of natural items are two cents lower with Swiss and process items unchanged. The market tone is unsettled. Not only is the market tone weak because of overall market conditions, but there is uncertainty surrounding this week's switch to the Chicago Mercantile Exchange and how "things" will work. In the Northeast, cheese output is steady to heavier as more surplus milk is available. Cheddar stocks are adequate for current needs and some producers are putting more in their aging programs. Retail sales are just fair. Food service orders are steady. Most purchases are for normal weekly volumes. Typical of a down market, more buyers are holding off all but necessary purchases.

WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Cheddar 10# Prints	:	1.2700-1.6625
Cheddar Single Daisies	:	1.2400-1.6575
Cheddar 40# Block	:	1.3175-1.4675
Process 5# Loaf	:	1.3800-1.5200
Process 5# Sliced	:	1.4000-1.5425
Muenster	:	1.3600-1.8275
Grade A Swiss Cuts 10 - 14#	:	2.2500-2.5050

MIDWEST

The cheese market is weak. The final closing barrel activity at the National Cheese Exchange on April 25 was unchanged at \$1.1700. The Exchange block final sales were 2 cents lower at \$1.1800. The "fear of the unknown" is occurring for some in the industry over the change from the long standing National Cheese Exchange to the Chicago Mercantile Exchange as the location for balancing cash cheddar cheese supplies. Current offerings are ample to burdensome for cheddar, more than adequate on mozzarella. Some traders speculate that prices could decline further, possibly to the point where at least Western cheese could be offered to CCC under the price support program. Reports of discounted prices continue, particularly for barrels. Process interest continues to improve, but sales continue to lag seasonal levels. Cutter/packager schedules are irregular, generally steady to slower. Mozzarella demand is slowing as usual at the end of the school year. Cheese production is irregular, though overall patterns are generally little changed from recent weeks.

WISCONSIN WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Process American 5# Loaf	:	1.5175-1.6225
Brick And/Or Muenster 5#	:	1.5400-1.6375
Cheddar 40# Block	:	1.4325-1.9150
Monterey Jack 10#	:	1.6325-1.9150
Blue 5#	:	1.7850-2.0800
Provolone 10 - 12#	:	TFEWR
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.5550-1.9150
Grade A Swiss Cuts 6 - 9#	:	2.2075-2.4850

WEST

Natural cheese prices range from steady to as much as two cents lower while process and Swiss are holding about steady. Cheese inventories continue to build in the Western region. Some plants are cutting manufacturing schedules if they can or they are adjusting the product mix as much as they can. Demand has slowed for most types of cheese as buyers take a wait and see attitude before they make additional purchases. Prices for buyers are not much of an issue at this time. Most are waiting for more clarity in the market. Sellers have decided that now is not the time to drop prices far enough to increase buying interest. Most contacts were chatting about the move of cash cheese trading to the Chicago Mercantile this week.

WHOLESALE SELLING PRICES: DELIVERED, DOLLARS PER POUND
(1000 - 5000 POUNDS MIXED LOTS)

Process 5# Loaf	:	1.3600-1.6900
Cheddar 40# Block	:	1.3625-1.7300
Cheddar 10# Cuts	:	1.5975-1.7800
Monterey Jack 10#	:	1.5475-1.7800
Grade A Swiss Cuts 6 - 9#	:	2.3375-2.5600

FOREIGN TYPE CHEESE

Domestic prices are generally two-cents lower and there were some changes on imported ranges. Demand is still quite sluggish for most varieties. Importers' stocks are adequate for current needs. Prices in producing countries are increasing because of lower export subsidies which are affecting purchases. Last week, export subsidies were "frozen" until May 1, at which time they will again be evaluated. Some contacts believe they (the subsidies) will soon be eliminated. Because of the drop in export subsidies, importers are buying only table cheeses and importing much less, or no, cheese for processing.

WHOLESALE SELLING PRICES: FOB DISTRIBUTORS DOCK
DOLLARS PER POUND (1000 - 5000 POUNDS, MIXED LOTS)

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Roquefort	: 5.5000-6.8900	: -0-
Blue	: 2.6400-3.1400	: 1.5150-2.0825*
Gorgonzola	: 3.2400-5.9400	: 2.1375-2.4900*
Parmesan (Italy)	: TFEWR	: 2.8750-2.9625*
Romano (Italy)	: 2.1900-2.9000*	: -0-
Provolone (Italy)	: 3.4400-5.5000	: 1.1875-1.6950*
Romano (Cows Milk)	: -0-	: 2.7175-2.9225*
Sardo Romano (Argentina)	: 2.6500-3.2900	: -0-
Reggianito (Argentina)	: 2.6500-3.2900	: -0-
Jarlsberg-(Brand)	: 2.7400-3.1200	: -0-
Swiss Cuts Switzerland	: -0-	: 2.2500-2.5050
Swiss Cuts Finnish	: 2.5900-2.8500*	: -0-
Swiss Cuts Austrian	: 2.2500-2.7500	: -0-
Edam	:	:
2 Pound	: TFEWR	: -0-
4 Pound	: 2.1900-3.0900	: -0-
Gouda, Large	: 2.3900-3.1500	: -0-
Gouda, Baby (\$/Dozen)	:	:
10 Ounce	: 27.8000-31.7000	: -0-

* = Price change.

FLUID MILK AND CREAM

E A S T

This week, milk production ranges from slightly lower in the Mississippi-Louisiana area, to quite a bit higher in the Middle Atlantic, to slightly higher in the more northern areas. Fluid milk supplies are often excessive. Bottled milk demand, throughout the region, is seldom better than fair and surplus milk volumes are heavy. In some New England States, schools are back in session and bottling schedules are up accordingly. Florida handlers are shipping approximately 138 loads of milk out of state this week. Because there has been no really hot weather in Florida, milk production is holding up much higher than anticipated and bottled milk sales are slower. Elsewhere, milk supplies are also very heavy and most manufacturing plants are at or near capacity operating levels. Some excess milk is looking for outlets in other regions. Many cheese producers are trying to limit milk intakes as they do not want to make cheese during a down market. That posture is also affecting condensed skim usage. The condensed skim market is still weak. Prices are steady, but trending higher within the range. Demand is slowing as NDM prices are now more attractive than wet solids prices. Because of the slower demand, drying activity is increasing. The fluid cream market is firmer this week. Following last Friday's one-cent increase on Grades AA & A butter prices on the CME, the market for cream and butter seemed to improve. Many contacts were a little surprised to see prices move higher, but took it as "a signal" that prices weren't going any lower and reentered the market. Spot demand for cream is improved this week and there is more interest from Midwestern butter makers. Spot prices are steady to higher at the lower end of the range. Ice cream producers are increasing operating schedules. Some are running seven days a week and taking extra loads of cream. Cream cheese, sour cream, cottage cheese, and bottled cream production is steady to higher as some producers take advantage of the lower prices. Churning activity is moderate to heavy.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

SPOT PRICES OF CLASS II CREAM, \$ PER LB BUTTERFAT

F.O.B. Producing Plants: Northeast	-	1.0368 - 1.1502
Delivered Equivalent Atlanta	-	1.0125 - 1.2988 M 1.0368-1.0692
F.O.B. Producing Plants: Upper Midwest	-	1.1016 - 1.1502

PRICES OF CLASS II CONDENSED SKIM, \$ PER LB WET SOLIDS

F.O.B. Producing Plants: Northeast	-	1.1000 - 1.2800
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M I D W E S T

WISCONSIN SPOT SHIPMENTS:

SPOT SHIPMENTS:	LOADS
APRIL 25 - MAY 1, 1997	0
PREVIOUS WEEK	0
COMPARABLE WEEK IN 1996	0

Class I sales are steady for institutional (school) accounts and unchanged to lower at retail. Class II activity remains good, aided by preparations for cottage cheese and ice cream promotional activity. Class III demand without price discounting is steady to weak as cheese inventories are accumulating at many plants. Manufacturing milk prices remain weak with reported prices ranging from \$1.00 under class to about \$0.50 over class. Some reports of milk still moving interregionally continues but

reported volumes remain about steady and well below the levels of the Easter holiday period. Milk intakes vary considerably by plant location. In southern sections of the region, the lack of a sustained hot period has helped milk receipts maintain near peak levels longer than usual. Further north, receipts range from steady to showing good increases, depending on location. Manufacturing plants continue to operate on extended schedules. Cream interest has improved aided by the slight increase in butter prices last week at the Chicago Mercantile Exchange and preparations for summer ice cream needs. Churning interest is also improved. Flooding remains a problem in the Dakotas and Minnesota. Good progress is continuing on the spring planting season, where field conditions allow. Soil temperatures remain cool in many northern sections.

WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	APRIL 24-30	PREVIOUS YEAR
SLAUGHTER COWS	\$ 37.00- 43.50	\$ 30.00- 36.00
REPLACEMENT HEIFER CALVES	\$100.00-145.00	\$110.00-135.00

SOUTH ST. PAUL TERMINAL AUCTION MARKET (PER CWT.)

	APRIL 24-30	PREVIOUS YEAR
SLAUGHTER COWS	\$ 38.50- 46.00	\$ 29.50- 35.00

W E S T

California pool receipts of milk for March total 2.24 billion pounds, up 4.8% from February on a daily average basis and 11.0% from March 1996. The blend price at a fat test of 3.61% is \$12.66, 2 cents lower than last month but 37 cents higher than March 1996. Class I utilization was 21.87%, the lowest monthly utilization in the past four years. The quota price is \$13.59, 10 cents higher than last month. Base and over base prices are \$11.89, 10 cents higher than February. All of the quota, base and over base prices are 44 cents above March 1996. Milk production patterns across the Southwestern part of the United States continue to run at or very near peak levels. Some southern most handlers are reporting slightly lower receipts which they are interpreting as peak production has been attained. Overall weather conditions remain mild for late April. In instances, day time temperatures are quite warm, but cool at night, thus production declines are gradual. Milk volumes, above Class I needs, remain heavy, with some manufacturing plant managers indicating that surplus volumes offered to them are not as heavy. Cold wet weather continues to plague the Pacific Northwest. Very little field corn has been planted at this time. Pastures are becoming rank and are not growing back after being clipped. Nevertheless, milk production continues to increase seasonally. Producers are expecting a bigger surge in milk when new crop hay becomes available in 2-4 weeks depending on location in the region. Plants are not looking for additional milk. The Mountain States region is also colder and wetter than normal. The snow pack continues to build in the Wasatch front and the Cache Valley region. Early sand bagging and some flooding are taking place currently. The region fears a warm rain that would bring out the record amounts of water in the heavy snow pack. The hay crop is slow in developing because of the cooler than normal temperatures. Nevertheless, output continues to outpace expectations. Some plants are attempting to sell some surplus milk with little success.

CENTRAL AND WEST DRY MILK PRODUCTS

All reports, except California manufacturing plants, were released 05/01/97 and represent FOB Central and Western production areas. Prices represent CL/TL quantities in 50 lb., 100 lb., or 25 kg. bags, spray process, dollars per pound.

NONFAT DRY MILK - CENTRAL

Nonfat dry milk prices continue to trend lower in light market trading. The market tone remains weak. Production is increasing in the region. Producers are having to lower prices to remain competitive, especially with Western-delivered prices. Prices in the West are nearing the support level of \$1.0470. Demand is light due to limited upward risk. Buyers are only taking powder for immediate needs. NDM stocks are building.

Includes EXTRA GRADE and GRADE A, all heat treatments

NONFAT DRY MILK: 1.1100 - 1.1400 MOSTLY: 1.1100 - 1.1200

DRY BUTTERMILK - CENTRAL

Prices and the market tone are unchanged in light trading. Demand is fair at best and offerings from resellers at the lower end of the range are commanding more attention. Price resistance among buyers is more apparent. Few contacts expect the run-up in prices of 1996 to repeat in 1997, especially with nonfat dry milk prices so weak. Buttermilk stocks are in good balance.

BUTTERMILK: 1.0600 - 1.2150

DRY WHEY - CENTRAL

Dry whey prices are slightly lower on the top end of the range, but the mostly range is unchanged. Producers are not discounting as commonly as in recent weeks. Substantial volumes of whey have moved over recent weeks and, once moved, producers returned to normal pricing. Demand is fair for current offerings. Some buyers are skeptical about the lower offerings this week. They feel whey is being warehoused. Buyers are not finding the multiple load offerings of recent weeks. Production is steady to seasonally higher. Stocks range from light to moderate levels. Resale loads are available and deals can still be made.

NONHYGROSCOPIC: .1700 - .1900 MOSTLY: .1725 - .1775

ANIMAL FEED WHEY - CENTRAL

Prices for all animal feed whey types continue to trend lower in limited trading. The market tone remains weak, mirroring the edible whey and WPC markets. Demand is seldom better than light. Offerings range from light to heavy for delactose, fair for all other types.

MILK REPLACER:	.1500 - .1650
STANDARD:	.1400 - .1550
ROLLER GROUND:	.1775 - .1875
DELACTOSE (Min. 20% protein):	.3250 - .3550

LACTOSE - CENTRAL AND WEST

Prices are steady for contract sales to occasionally lower for spot sales. Several spot loads moved this week where producers had extra lactose. Prices were holding within the mostly range, but premiums were eased to move the extra loads. Contacts are cautious about the extra lactose being produced and are watching to see if demand keeps pace with the extra supplies. Production continues to trend higher. Producers' stocks are in balance at most locations.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.

EDIBLE: .2300 - .2900 MOSTLY: .2500 - .2700

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Prices continue to trend lower and the market tone remains weak. Contacts have mixed opinions about the degree of weakness in the market. Producers with most of their WPC sold on contracts, are for the most part, in good shape. Those relying on spot sales or with higher, uncommitted output are having to discount WPC to move product. Demand is fair at best and mostly limited to current needs. Inventories vary from light to moderate.

EXTRA GRADE 34% PROTEIN: .5500 - .6050 MOSTLY: .5700 - .5900

NONFAT DRY MILK - WEST

Nonfat dry milk production remains heavy in Western areas. Prices are steady to generally lower. The market tone is weak. Stocks of low heat powder are building at most facilities with demand fair at best. High heat demand remains active, although stocks are limited. Due to the heavy volumes of surplus milk, producers are reluctant to commit dryer time to high heat production unless prices are very favorable. Demand from cheese plants is low due to the weakness occurring in the cheese market. Often, quoted prices are meeting more resistance. Contacts state that producers' offering prices are now followed by the phrase "these prices are biddable."

Includes EXTRA GRADE and GRADE A

LOW/MEDIUM HEAT: 1.0500 - 1.1100 MOSTLY: 1.0700 - 1.1000
HIGH HEAT: 1.1000 - 1.1500

DRY BUTTERMILK - WEST

Buttermilk powder prices are mixed, although the market tone is weak. Prices had reached a level that spot buyers were very hesitant to pay. Churning schedules are seasonally active, thus generating buttermilk, but dryer time is the biggest obstacle at this time. Buttermilk powder stocks are in better balance with demand. Most contractual commitments are being filled, with stocks becoming more available for spot sale and occasionally, hard to clear.

BUTTERMILK: 1.0900 - 1.1600 MOSTLY: 1.1200 - 1.1500

DRY WHEY - WEST

Western mostly whey prices continue to soften. The range is holding steady. There is a weakening undertone to the market. Stocks are accumulating more rapidly at some locations while others are still in good shape. Production continues to edge higher. Export demand is fair at best, often somewhat slower. Domestic buying interest is being called steady by most contacts. A number of Western contacts stated that they are happy to see that the Central market has not declined further. Information should be available shortly on a tender to a Far Eastern buyer, but most contacts fear that the U.S. may come in second to Europe for most of the bids.

NONHYGROSCOPIC: .1900 - .2100 MOSTLY: .1900 - .1975

CALIFORNIA MANUFACTURING PLANTS

The weighted average price for Extra Grade and Grade A Nonfat Dry Milk for the seven day period ended April 25, on powder sales of 8,397,035 pounds f.o.b. California manufacturing plants was \$1.1178 per pound. This compares to 10,026,183 pounds at \$1.1199 for the previous week ending April 18, 1997. Prices for both periods were influenced by the effect of long-term contract sales. Compiled by the Dairy Marketing Branch, California Department of Food and Agriculture.

NORTHEAST, SOUTHEAST, AND NATIONAL MILK PRODUCTS

All reports represent carlot/trucklot quantities in 50 lb., 100 lb., or 25 kg. bags, spray process, dollars per pound, unless otherwise specified. Delivered Southeast is delivered equivalent Atlanta.

NONFAT DRY MILK - NORTHEAST AND SOUTHEAST

Prices are mostly unchanged, but some lower prices within the range were noted. The market tone is leaning more toward weakness. Increasing volumes of surplus milk are keeping most Eastern butter/powder plants full. Most are running at or very near capacity levels. In fact, some plants have had to ship milk out of the region for processing. Florida continues to have a lot of excess milk that is moving out of state to manufacturing plants. Coinciding with the surplus milk from the Southeast, the flush has reportedly reached the Middle Atlantic area. Producers' stocks are accumulating, some by design and some faster than desired. Offerings are heavier than current demand is clearing. Lower asking prices are stimulating some interest, but buyers, for the most part, are waiting to see where "things" will settle out. Overall, demand is slow and unaggressive.

Includes EXTRA GRADE and GRADE A, all heat treatments

F.O.B. NORTHEAST:	1.1300 - 1.1900
DELVD SOUTHEAST:	1.1350 - 1.1700

DRY BUTTERMILK - NORTHEAST AND SOUTHEAST

Prices are steady to higher and the market tone remains firm. Production levels are mostly unchanged. However, with growing volumes of surplus milk, dryers are very busy making NDM and have little time to dry buttermilk. Fortunately, the demand for liquid or condensed buttermilk is improving along seasonal patterns. Producers' stocks of dry buttermilk are tight. Demand is still good.

F.O.B. NORTHEAST:	1.0900 - 1.1200
DELVD SOUTHEAST:	1.0900 - 1.2250

DRY WHOLE MILK - NATIONAL

Prices and the market tone are unchanged. Production levels are often lighter as dryers are making more NDM because of the growing volumes of surplus milk. Dry whole milk stocks are light, but sufficient to meet current needs. Export interest remains limited as only one, small-volume DEIP bid was accepted last week. Domestic demand is mostly centered around contractual agreements.

F.O.B. PRODUCING PLANT:	1.2500 - 1.3100
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DEIP BID ACCEPTANCE SUMMARY

JULY 1, 1996 THROUGH APRIL 25, 1997
WITH CHANGES FROM PREVIOUS REPORT

NONFAT DRY MILK	--	41,627	MT (91,770,884 LBS)
CHANGE	--	2,507	MT (5,526,932 LBS)
WHOLE MILK POWDER	--	1,586	MT (3,496,496 LBS)
CHANGE	--	16	MT (35,274 LBS)
CHEESE	--	1,535	MT (3,384,061 LBS)
CHANGE	--	15	MT (33,069 LBS)
BUTTERFAT	--	1,658	MT (3,655,227 LBS)

DRY WHEY - NORTHEAST AND SOUTHEAST

Prices are mostly lower and the market tone is weak. Eastern producers report increasing output and lackluster demand as buyers wait to see if prices will drop any further before buying. New export interest is limited as reprints show that European whey is readily available and attractively priced. Producers' stocks are fairly well balanced in the East, but many have had to lower prices to keep product moving.

F.O.B. NORTHEAST:	EXTRA GRADE	.1700 - .1750
	USPH GRADE A	.1700 - .1800
DELVD SOUTHEAST:		.1825 - .2125

ANIMAL FEED WHEY - NORTHEAST

Prices are unchanged, but unconfirmed reports of lower offering prices were noted. Demand is slow to fair as buyers wait to see if prices will fall any further. Dry whey offerings are increasing in most regions of the country and competition for existing business is keen.

F.O.B. NORTHEAST:	MILK REPLACER	.1625 - .1675
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EVAPORATED MILK - NATIONAL

Prices and the market tone are unchanged. Increasing volumes of surplus milk in many regions of the country are giving evaporated milk producers a chance to increase output and build inventories. In addition to the increasing milk supply, lower prices for the milk are also a possibility. Demand for evaporated milk is seasonally slow to fair.

DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED MAJOR U.S. CITIES \$22.50 - 33.00
Excluding promotional and other sales allowances. Included new price announcements.

CASEIN - NATIONAL

Casein prices are fractionally lower for both casein types. Production is increasing seasonally in Europe. Offerings from Oceania countries are available beyond contracted volumes. Some price cutting continues in attempts to establish new accounts. Availability of both types is adequate to long. Contacts do not expect much change in demand from analog producers in spite of the weaker natural cheese market.

SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE FOR EDIBLE NONRESTRICTED AND VARY ACCORDING TO MESH SIZE AND QUALITY.

RENNET:	2.2000 - 2.4100
ACID:	2.0500 - 2.2000

MONTHLY SUMMARY AND AVERAGES FOR APRIL 1997 1/ - (UNLESS OTHERWISE NOTED, PRICES ARE DOLLARS PER POUND, CL/TL)

COMMODITY	REPORT NUMBER 14	REPORT NUMBER 15	REPORT NUMBER 16	REPORT NUMBER 17	REPORT NUMBER 18	1997	1996
	APR 01 - 04	APR 07 - 11	APR 14 - 18	APR 21 - 25	APR 28 - 30	Average	Average
	or Total	or Total	or Total	or Total	or Total	or Total	or Total
BUTTER							
CHICAGO (WSP) 2/ (Delivered in Bulk in Fiber Boxes) (Prices Issued Tues, Thurs and Fri)							
TUESDAY							
-- Grade AA	1.1600 - 1.1700	1.1500 - 1.1600	1.0400 - 1.0500	0.9100 - 0.9200	0.9200 - 0.9300		
-- Grade A	1.0600 - 1.0700	1.0600 - 1.0700	0.9300 - 0.9400	0.8000 - 0.8100	0.8100 - 0.8200		
THURSDAY							
-- Grade AA	1.1600 - 1.1700	1.1500 - 1.1600	1.0400 - 1.0500	0.9100 - 0.9200			
-- Grade A	1.0600 - 1.0700	1.0600 - 1.0700	0.9300 - 0.9400	0.8000 - 0.8100			
FRIDAY							
-- Grade AA	1.1600 - 1.1700	1.1500 - 1.1600	1.0400 - 1.0500	0.9100 - 0.9200		1.0588	0.7573
-- Grade A	1.0600 - 1.0700	1.0600 - 1.0700	0.9300 - 0.9400	0.8000 - 0.8100		0.9558	0.6896
CHICAGO MERCANTILE EXCHANGE 3/							
-- Grade AA	1.1500	1.0400	0.9100	0.9200		1.0233	0.7620
-- Grade A	1.0600	0.9300	0.8000	0.8100		0.9190	0.6957
-- Grade B	1.0500	0.9200	0.7800	0.7800		0.9027	0.6940
CENTRAL STATES PRINT (f.o.b. LTL)							
-- Grade AA, 1/4 Lb. Prints	1.2600 - 1.6675	1.2500 - 1.6575	1.1400 - 1.5475	1.0100 - 1.4175	1.0200 - 1.4275	1.3447	1.0522
-- Grade AA, 1 Lb. Prints	1.2250 - 1.3875	1.2150 - 1.3775	1.1050 - 1.2675	0.9750 - 1.1375	0.9850 - 1.1475	1.1872	0.8997
-- Grade AA, Chips/Patties	1.2500 - 1.4600	1.2400 - 1.4500	1.1300 - 1.3400	1.0000 - 1.2100	1.0100 - 1.2200	1.2359	0.9484
-- Grade AA, Reddies	1.3325 - 1.5700	1.3225 - 1.5600	1.2125 - 1.4500	1.0825 - 1.3200	1.0925 - 1.3300	1.3322	1.0447
-- Grade AA, Continentals	1.4900 - 1.6800	1.4800 - 1.6700	1.3700 - 1.5600	1.2400 - 1.4300	1.2500 - 1.4400	1.4659	1.1784
NORTHEAST PRINT (Delivered, LTL)							
-- Grade AA, 1/4 Lb. Prints	1.3700 - 1.5975	1.3600 - 1.5875	1.2500 - 1.4775	1.1200 - 1.3475	1.1300 - 1.3775	1.3660	1.0534
-- Grade AA, 1 Lb. Prints	1.2850 - 1.4675	1.2750 - 1.4575	1.1650 - 1.3475	1.0350 - 1.2175	1.0450 - 1.2275	1.2572	0.9847
-- Grade AA, Chips/Patties	1.3475 - 1.5175	1.3375 - 1.5075	1.2275 - 1.3975	1.0975 - 1.2675	1.1075 - 1.2775	1.3134	1.0150
-- Grade AA, Reddies	1.4225 - 1.6175	1.4125 - 1.6075	1.3025 - 1.4975	1.1725 - 1.3675	1.1825 - 1.3775	1.4009	1.0834
-- Grade AA, Continentals	1.5025 - 1.6775	1.4925 - 1.6675	1.3825 - 1.5575	1.2525 - 1.4275	1.2625 - 1.4375	1.4709	1.1934
CALIFORNIA PRINT (Delivered, LTL)							
-- Grade AA, 1/4 Lb. Prints	1.4450 - 1.4925	1.4350 - 1.4825	1.3250 - 1.3725	1.1950 - 1.2425	1.2050 - 1.2525	1.3497	1.1073
-- Grade AA, 1 Lb. Prints	1.3625 - 1.4350	1.3525 - 1.4250	1.2425 - 1.3150	1.1125 - 1.1850	1.1225 - 1.1950	1.2797	0.9935
-- Grade AA, Patties	1.4150 - 1.5825	1.4050 - 1.5725	1.2950 - 1.4625	1.1650 - 1.3325	1.1750 - 1.3425	1.3797	1.1010
-- Grade AA, Reddies	1.5400 - 1.5625	1.5225 - 1.5525	1.4125 - 1.4425	1.2925 - 1.3125	1.3025 - 1.3225	1.4309	1.1932
CALIFORNIA PLANTS PRINT (f.o.b. LTL)							
-- Grade AA, 1/4 Lb. Prints	1.1500 - 1.2000	1.1400 - 1.1800	1.0300 - 1.0700	0.9000 - 0.9400	0.9100 - 0.9500	1.0518	0.7823
CHEESE							
NATIONAL CHEESE EXCHANGE 3/							
-- Barrels	1.2500	1.2175	1.1700	1.1700		1.2083	1.3905
-- 40# Blocks	1.2800	1.2500	1.2000	1.1800		1.2378	1.4325
WISCONSIN ASSEMBLY POINTS (f.o.b.)							
-- Cheddar Barrels	1.2450 - 1.2700	1.2400 - 1.2600	1.2075 - 1.2300	1.1500 - 1.1800	1.1500 - 1.1750	1.2130	1.3977
-- Cheddar 40# Blocks	1.3150 - 1.3450	1.2700 - 1.3100	1.2400 - 1.2750	1.1900 - 1.2250	1.1600 - 1.2000	1.2561	1.4510
WISCONSIN (WSP, Delivered, LTL)							
-- Process American 5# Loaf	1.5775 - 1.6525	1.5725 - 1.6525	1.5500 - 1.6525	1.5175 - 1.6525	1.5175 - 1.6225	1.5984	1.6509
-- Brick And/Or Muenster 5#	1.6200 - 1.7725	1.6200 - 1.7375	1.6200 - 1.7075	1.5800 - 1.6575	1.5400 - 1.6375	1.6526	1.7856
-- Cheddar 40# Block	1.5675 - 1.9150	1.5325 - 1.9150	1.5025 - 1.9150	1.4525 - 1.9150	1.4325 - 1.9150	1.7076	1.7259
-- Monterey Jack 10#	1.7675 - 1.9150	1.7325 - 1.9150	1.7025 - 1.9150	1.6525 - 1.9150	1.6325 - 1.9150	1.8076	1.8259
-- Blue 5#	1.9200 - 2.1500	1.8850 - 2.1500	1.8550 - 2.1300	1.8050 - 2.1100	1.7850 - 2.0800	1.9898	2.1468
-- Provolone 10 - 12#	TFEWR	TFEWR	TFEWR	TFEWR	TFEWR	TFEWR	1.8668
-- Mozzarella 5 - 6#	1.6600 - 1.9150	1.6550 - 1.9150	1.6250 - 1.9150	1.5750 - 1.9150	1.5550 - 1.9150	1.7661	1.7736
-- Grade A Swiss Cuts 6 - 9#	2.2375 - 2.4850	2.2375 - 2.4850	2.2075 - 2.4850	2.2075 - 2.4850	2.2075 - 2.4850	2.3524	2.2338
NORTHEAST (WSP, Delivered, LTL)							
-- Cheddar 10# Prints	1.3550 - 1.7975	1.3550 - 1.7625	1.3550 - 1.7325	1.3550 - 1.6825	1.2700 - 1.6625	1.5368	1.7359
-- Cheddar Single Daisies	1.3250 - 1.7925	1.3250 - 1.7575	1.3250 - 1.7275	1.3200 - 1.6775	1.2400 - 1.6575	1.5188	1.7159
-- Cheddar 40# Block	1.4525 - 1.6025	1.4175 - 1.5675	1.3875 - 1.5375	1.3375 - 1.4875	1.3175 - 1.4675	1.4602	1.6368
-- Process 5# Loaf	1.4650 - 1.6050	1.4600 - 1.6000	1.4275 - 1.5675	1.3800 - 1.5200	1.3800 - 1.5200	1.4944	1.6540
-- Process 5# Sliced	1.4850 - 1.6300	1.4800 - 1.6250	1.4475 - 1.5900	1.4000 - 1.5425	1.4000 - 1.5425	1.5162	1.6807
-- Muenster	1.4950 - 1.9125	1.4600 - 1.9125	1.4300 - 1.9125	1.3800 - 1.9125	1.3600 - 1.8275	1.6643	1.7543
-- Grade A Swiss Cuts 10 - 14#	2.2500 - 2.5050	2.2500 - 2.5050	2.2500 - 2.5050	2.2500 - 2.5050	2.2500 - 2.5050	2.3775	2.1588
WEST COAST (WSP, Delivered, LTL)							
-- Process 5# Loaf	1.4450 - 1.6900	1.4400 - 1.6900	1.4075 - 1.6900	1.3600 - 1.6900	1.3600 - 1.6900	1.5472	1.6997
-- Cheddar 40# Block	1.5175 - 1.7300	1.4625 - 1.7300	1.4325 - 1.7300	1.3825 - 1.7300	1.3625 - 1.7300	1.5819	1.6651
-- Cheddar 10# Cuts	1.7325 - 1.8375	1.6975 - 1.8025	1.6675 - 1.7800	1.6175 - 1.7800	1.5975 - 1.7800	1.7304	1.8972
-- Monterey Jack 10#	1.6825 - 1.8000	1.6475 - 1.7800	1.6175 - 1.7800	1.5675 - 1.7800	1.5475 - 1.7800	1.6994	1.8053
-- Grade A Swiss Cuts 6 - 9#	2.3200 - 2.3525	2.3375 - 2.5500	2.3375 - 2.5500	2.3375 - 2.5600	2.3375 - 2.5600	2.4260	2.2163

MONTHLY SUMMARY AND AVERAGES FOR APRIL 1997 1/ - (UNLESS OTHERWISE NOTED, PRICES ARE DOLLARS PER POUND, CL/TL)

COMMODITY	REPORT NUMBER 14	REPORT NUMBER 15	REPORT NUMBER 16	REPORT NUMBER 17	REPORT NUMBER 18	1997	1996
	APR 01 - 04	APR 07 - 11	APR 14 - 18	APR 21 - 25	APR 28 - 30	Average	Average
						or Total	or Total
FLUID AND DRY PRODUCTS							
SPOT PRICES OF CLASS II CREAM (\$ per lb. butterfat)							
Delivered Equivalent:							
-- Northeast	1.4098 - 1.5264	1.3568 - 1.5158	1.1904 - 1.3392	1.0000 - 1.1200	1.0368 - 1.1502	1.2708	0.9474
-- Atlanta	1.3780 - 1.6324	1.3568 - 1.6185	1.1997 - 1.4656	1.0000 - 1.2849	1.0125 - 1.2988	1.3319	1.0014
-- Upper Midwest	1.4310 - 1.5052	1.3780 - 1.5052	1.2462 - 1.3206	1.0400 - 1.1360	1.1016 - 1.1502	1.2871	0.9639
SPOT PRICES OF CONDENSED SKIM (\$ per lb. wet solids)							
Delivered Equivalent:							
-- Northeast	1.1000 - 1.1800	1.1000 - 1.1800	1.1000 - 1.1800	1.1000 - 1.2800	1.1000 - 1.2800	1.1582	1.3550
WISCONSIN FLUID MILK SHIPMENTS							
-- Loads Shipped from Wisconsin Shipping Points	0	0	0	0	0	0	0
NATIONAL EVAPORATED MILK (\$ per Case)							
(Case - 48 - 12 fluid oz cans)							
-- Delivered Major U.S. Cities	22.5000 - 33.0000	22.5000 - 33.0000	22.5000 - 33.0000	22.5000 - 33.0000	22.5000 - 33.0000	27.7500	24.3750
NONFAT DRY MILK							
-- Central (f.o.b.)							
-- Extra And Grade A	1.1350 - 1.1800	1.1300 - 1.1650	1.1200 - 1.1700	1.1100 - 1.1700	1.1100 - 1.1400	1.1440	1.1032
-- Mostly	1.1400 - 1.1500	1.1350 - 1.1450	1.1300 - 1.1350	1.1200 - 1.1300	1.1100 - 1.1200	1.1324	1.0995
-- West (f.o.b.)							
-- Low/Medium Heat	1.1000 - 1.1500	1.0900 - 1.1300	1.0800 - 1.1300	1.0900 - 1.1200	1.0500 - 1.1100	1.1064	1.0794
-- Mostly	1.1100 - 1.1250	1.1000 - 1.1100	1.0900 - 1.1100	1.0900 - 1.1000	1.0700 - 1.1000	1.1011	1.0766
-- High Heat	1.1300 - 1.1700	1.1300 - 1.1800	1.1400 - 1.2000	1.1100 - 1.2000	1.1000 - 1.1500	1.1534	1.1022
-- Northeast (f.o.b.)							
-- Extra & Grade A	1.1500 - 1.1900	1.1300 - 1.1900	1.1300 - 1.1900	1.1300 - 1.1900	1.1300 - 1.1900	1.1618	1.1165
-- Southeast (Delvd)							
-- Extra & Grade A	1.1550 - 1.2050	1.1550 - 1.1850	1.1500 - 1.1750	1.1425 - 1.1750	1.1350 - 1.1700	1.1652	1.1205
WHEY POWDER (Nonhygroscopic)							
-- Central (f.o.b.)	0.1800 - 0.2175	0.1700 - 0.2125	0.1700 - 0.2025	0.1700 - 0.1925	0.1700 - 0.1900	0.1877	0.2344
-- Mostly	0.2000 - 0.2050	0.1850 - 0.1925	0.1750 - 0.1800	0.1725 - 0.1775	0.1725 - 0.1775	0.1837	0.2288
-- West (f.o.b.)	0.1950 - 0.2200	0.1950 - 0.2200	0.1950 - 0.2200	0.1900 - 0.2100	0.1900 - 0.2100	0.2048	0.2414
-- Mostly	0.2000 - 0.2075	0.2000 - 0.2050	0.1950 - 0.2025	0.1925 - 0.2000	0.1900 - 0.1975	0.1993	0.2425
-- Northeast Extra Grade (f.o.b.)	0.1900 - 0.2150	0.1800 - 0.2075	0.1750 - 0.1925	0.1725 - 0.1775	0.1700 - 0.1750	0.1859	0.2325
-- Northeast Usph Grade A(f.o.b.)	0.1900 - 0.2175	0.1875 - 0.2075	0.1775 - 0.1975	0.1750 - 0.1875	0.1700 - 0.1800	0.1896	0.2426
-- Southeast Extra Grade (Delvd)	0.2100 - 0.2475	0.1875 - 0.2325	0.1825 - 0.2125	0.1825 - 0.2125	0.1825 - 0.2125	0.2060	0.2586
WHEY PROTEIN CONCENTRATE							
-- Central And West (f.o.b.)							
-- Extra Grade 34% Protein	0.5900 - 0.6350	0.5800 - 0.6250	0.5750 - 0.6150	0.5650 - 0.6100	0.5500 - 0.6050	0.5958	0.5545
-- Mostly	0.6100 - 0.6200	0.6000 - 0.6100	0.5900 - 0.6000	0.5850 - 0.5950	0.5700 - 0.5900	0.5977	0.5573
ANIMAL FEED - WHEY							
-- Central (f.o.b.)							
-- Milk Replacer	0.1800 - 0.2000	0.1600 - 0.1825	0.1550 - 0.1750	0.1500 - 0.1700	0.1500 - 0.1650	0.1688	0.2145
-- Standard	0.1600 - 0.1900	0.1500 - 0.1700	0.1400 - 0.1700	0.1400 - 0.1600	0.1400 - 0.1550	0.1576	0.2095
-- Roller Ground	0.2125 - 0.2225	0.2050 - 0.2150	0.1925 - 0.2025	0.1800 - 0.1925	0.1775 - 0.1875	0.1994	0.2376
-- Delactose	0.3400 - 0.3800	0.3400 - 0.3700	0.3300 - 0.3700	0.3300 - 0.3600	0.3250 - 0.3550	0.3505	0.3250
-- Northeast (f.o.b.)							
-- Milk Replacer	TFEWR	TFEWR	TFEWR	0.1625 - 0.1675	0.1625 - 0.1675	TFEWR	TFEWR
BUTTERMILK (Min. 30% protein)							
-- Central (f.o.b.)	1.0400 - 1.1100	1.0400 - 1.1600	1.0600 - 1.1900	1.0600 - 1.2150	1.0600 - 1.2150	1.1148	0.9234
-- West (f.o.b.)	1.0500 - 1.1500	1.0800 - 1.2000	1.0900 - 1.2000	1.1000 - 1.1900	1.0900 - 1.1600	1.1330	0.9148
-- Mostly	1.0700 - 1.0950	1.0900 - 1.1100	1.1000 - 1.1300	1.1100 - 1.1400	1.1200 - 1.1500	1.1107	0.9200
-- Northeast (f.o.b.)	1.0600 - 1.1200	1.0600 - 1.1200	1.0600 - 1.1200	1.0600 - 1.1200	1.0900 - 1.1200	1.0920	0.9056
-- Southeast (Delvd)	1.0800 - 1.1750	1.0900 - 1.1950	1.0900 - 1.2250	1.0900 - 1.2250	1.0900 - 1.2250	1.1486	0.9600
WHOLE MILK POWDER							
-- National							
-- F.O.B. Producing Plant	1.2500 - 1.3100	1.2500 - 1.3100	1.2500 - 1.3100	1.2500 - 1.3100	1.2500 - 1.3100	1.2800	1.2084
LACTOSE							
-- Central And West (f.o.b.)	0.2200 - 0.2800	0.2300 - 0.2900	0.2300 - 0.2900	0.2300 - 0.2900	0.2300 - 0.2900	0.2582	0.1875
-- Mostly	0.2500 - 0.2700	0.2500 - 0.2700	0.2500 - 0.2700	0.2500 - 0.2700	0.2500 - 0.2700	0.2600	0.1802
CASEIN - Edible - National (f.o.b.)							
-- Nonrestricted - Rennet	2.2000 - 2.4200	2.2000 - 2.4200	2.2000 - 2.4200	2.2000 - 2.4200	2.2000 - 2.4100	2.3093	2.6900
-- Nonrestricted - Acid	2.0800 - 2.2000	2.0800 - 2.2000	2.0800 - 2.2000	2.0800 - 2.2000	2.0500 - 2.2000	2.1380	2.6977

1/ Prices for all products not footnoted 2/ or 3/ are issued once a week and represent a value for the entire week. Monthly averages are based on weekly prices and are time-weighted according to the number of workdays in the month - Saturdays, Sundays and National Holidays excluded. No monthly average is computed if one or more weekly prices are missing. 2/ The monthly averages are simple averages of all the prices reported during the month and are shown on the Friday line. 3/ The monthly averages are based on the exchange trading date prices and are time-weighted for each day, starting with the exchange trading date, until the next exchange trading date - Saturdays, Sundays, and National Holidays are

DEIP BID ACCEPTANCE
APRIL 1997

ACCEPTANCE DATE	DESTINATION	QUANTITY (MT)	DEL. PERIOD	BONUS/MT
NONFAT DRY MILK				
JULY - MARCH 1997		27,607		
04/01	CARIBBEAN, CENT & S. AM	156	APR-JUL	\$792.46
04/01	AFRICA & MIDDLE EAST	210	APRIL	\$884
04/03	CARIBBEAN, CENT & S. AM	20	APR-MAY	\$815
04/04	CARIBBEAN, CENT & S. AM	301	APR-AUG	\$828.26
04/09	CARIBBEAN, CENT & S. AM	32	APR-MAY	\$800
04/11	AFRICA & MIDDLE EAST	51	APR-MAY	\$875
04/11	CARIBBEAN, CENT & S. AM	10,647	APR-SEP	\$792.07
04/15	CARIBBEAN, CENT & S. AM	34	APR-MAY	\$725
04/16	CARIBBEAN, CENT & S. AM	25	APR-MAY	\$765
04/17	CARIBBEAN, CENT & S. AM	20	APR-MAY	\$800
04/18	AFRICA & MIDDLE EAST	17	APR-MAY	\$875
04/21	CARIBBEAN, CENT & S. AM	400	APR-AUG	\$797.75
04/23	AFRICA & MIDDLE EAST	2,000	APR-AUG	\$935
04/25	AFRICA & MIDDLE EAST	107	APR-MAY	\$875
04/29	CARIBBEAN, CENT & S. AM	67	MAY-JUL	\$822.07
04/29	AFRICA & MIDDLE EAST	205	MAY-AUG	\$901.02
04/30	AFRICA & MIDDLE EAST	200	APR-AUG	\$900
APRIL 1 - 30, 1997		<u>14,492</u>		
PROGRAM TO DATE		42,099		
WHOLE MILK POWDER				
JULY - MARCH 1997		1,492		
04/09	CARIBBEAN, CENT & S. AM	32	APR-AUG	\$1,040
04/11	CARIBBEAN, CENT & S. AM	16	APR-MAY	\$1,040
04/16	CARIBBEAN, CENT & S. AM	30	APR-MAY	\$1,040
04/21	CARIBBEAN, CENT & S. AM	16	MAY-JUN	\$1,040
04/28	AFRICA, MIDDLE EAST & FSU	17	MAY-JUN	\$944
04/29	AFRICA, MIDDLE EAST & FSU	30	APR-MAY	\$1,005
APRIL 1 - 30, 1997		<u>141</u>		
PROGRAM TO DATE		1,633		

DEIP BID ACCEPTANCE
APRIL 1997

ACCEPTANCE DATE	DESTINATION	QUANTITY (MT)	DEL. PERIOD	BONUS/MT
CHEESE				
JULY - MARCH 1997		1,384		
04/14-M	AFRICA & MIDDLE EAST	22	APR-JUL	\$550
04/17-P	CARIBBEAN, CENT & S. AM	114	APR-JUL	\$460
04/22-C	CARIBBEAN, CENT & S. AM	15	APR-AUG	\$324
APRIL 1 - 30, 1997		<u>151</u>		
PROGRAM TO DATE		1,535		
C-CHEDDAR, G-GOUDA, M-MOZZARELLA, P-PROCESSED AMERICAN CHEESE, CC-CREAM CHEESE				
BUTTEROIL/ANHYDROUS MILKFAT				
JULY - MARCH 1997		829*		
04/02-B	ASIA & F.S.U.	24	APR-MAY	\$750
04/14-A	CARIBBEAN, CENT & S. AM	104	MAY-JUL	\$1,450
04/17-A	CARIBBEAN, CENT & S. AM	540	APR-MAY	\$1,450
04/28-A	CARIBBEAN, CENT & S. AM	52	MAY-JUN	\$1,190
04/28-B	CARIBBEAN, CENT & S. AM	38	MAY-JUN	\$610
04/30-A	AFRICA & MIDDLE EAST	1,500	JUN-AUG	\$1,240
04/30-A	CARIBBEAN, CENT & S. AM	508	MAY-JUN	\$1,190
APRIL 1 - 30, 1997		<u>3,442*</u>		
PROGRAM TO DATE		4,271*		
A.-ANHYDROUS, O-BUTTEROIL, B-BUTTER				
*TOTALS DO NOT ADD DUE TO CONVERSION OF ANHYDROUS TO BUTTER EQUIVALENT				
				PROGRAM-TO-DATE
TOTAL MT				48,916
TOTAL BONUS VALUE				\$40,339,000

Exporters of U.S. milk powder, butterfat and cheddar cheese are aided under the Dairy Export Incentive Program (DEIP), created by Food Security Act of 1985 and extended by the Food, Agriculture, Conservation, and Trade Act of 1990. Export sales are facilitated through payment of bonuses by the U.S. Department of Agriculture's Commodity Credit Corporation. Sales of dairy products will be made through normal commercial channels at competitive world prices. For further information call L.T. McElvain, (202) 720-6211. Conversion: 1 metric ton (MT) = 2,204.6 pounds. **SOURCE: FOREIGN AGRICULTURAL SERVICE**

CCC PURCHASES OF DAIRY PRODUCTS

	: FOR THE WEEK OF APRIL 28 - MAY 2, 1997 :			: CUMULATIVE TOTALS :		: UNCOMMITTED INVENTORIES :	
	: TOTAL :	: CONTRACT :	: ADJUSTED :	: SINCE :	: SAME PERIOD :	: PERIOD ENDING :	: SAME PERIOD :
	: PURCHASES :	: ADJUSTMENTS :	: PURCHASES :	: 10/01/96 :	: LAST YEAR :	: 04/25/97 :	: LAST YEAR :
BUTTER	:	:	:	:	:	:	:
Bulk	: -0- :	: -0- :	: -0- :	: -0- :	: -0- :	: -0- :	: -0- :
Packaged	: -0- :	: -0- :	: -0- :	: -0- :	: -0- :	: -0- :	: -0- :
TOTAL	: -0- :	: -0- :	: -0- :	: -0- :	: -0- :	: -0- :	: -0- :
CHEESE	:	:	:	:	:	:	:
Block	: -0- :	: -0- :	: -0- :	: -0- :	: -0- :	: -0- :	: -0- :
Barrel	: -0- :	: -0- :	: -0- :	: -0- :	: -0- :	: -0- :	: -0- :
Process	: -0- :	: -0- :	: -0- :	: 483,600 :	: -0- :	: -0- :	: -0- :
TOTAL	: -0- :	: -0- :	: -0- :	: 483,600 :	: -0- :	: -0- :	: -0- :
NONFAT DRY MILK	:	:	:	:	:	:	:
Nonfortified	: -0- :	: -0- :	: -0- :	: -0- :	: -0- :	: -0- :	: 9,918,000 :
Fortified	: -0- :	: -0- :	: -0- :	: -0- :	: -0- :	: -0- :	: -0- :
TOTAL	: -0- :	: -0- :	: -0- :	: -0- :	: -0- :	: -0- :	: 9,918,000 :

MILK EQUIVALENT, MILKFAT AND SKIM SOLIDS BASIS, OF ADJUSTED PURCHASES (MILLION POUNDS)

	MILKFAT*	SKIM**		MILKFAT*	SKIM**
	<u>BASIS</u>	<u>SOLIDS</u>		<u>BASIS</u>	<u>SOLIDS</u>
WEEK OF APRIL 28 - MAY 2, 1997 =	0.0	0.0	COMPARABLE WEEK IN 1996 =	0.0	0.0
CUMULATIVE SINCE OCTOBER 1, 1996 =	4.5	4.8	CUMULATIVE SAME PERIOD LAST YEAR =	0.0	0.0
CUMULATIVE JANUARY 1 - MAY 2, 1997 =	4.5	4.8	COMPARABLE CALENDAR YEAR 1996 =	0.0	0.0

* Factors used for Milkfat Solids Basis: Butter times 21.80; Cheese times 9.23; and Nonfat Dry Milk times 0.22

****Factors used for Skim Solids Basis: Butter times 0.12; Cheese times 9.90; and Nonfat Dry Milk times 11.64**

CCC ADJUSTED PURCHASES SINCE 10/1/96 AND SAME PERIOD LAST YEAR (POUNDS) AND MILK EQUIVALENT AS A PERCENT OF TOTAL											
:	BUTTER			:	CHEESE		:	NONFAT DRY MILK		:	MILK EQUIVALENT
REGION	1996/97	:	1995/96	:	1996/97	:	1995/96	:	1996/97	:	1995/96
MIDWEST	-0-	:	-0-	:	483,600	:	-0-	:	-0-	:	100.0
WEST	-0-	:	-0-	:	-0-	:	-0-	:	-0-	:	0.0
EAST	-0-	:	-0-	:	-0-	:	-0-	:	-0-	:	0.0
TOTAL	-0-	:	-0-	:	483,600	:	-0-	:	-0-	:	100.0

SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS PRODUCED ON OR AFTER JANUARY 1, 1997

MANUFACTURING MILK: Average Test 3.67% - \$10.20 per cwt.; 3.5% - \$10.10

DOLLARS PER POUND

BUTTER: Bulk \$.6500; 1# Prints \$.6800

CHEESE: 40 & 60# Blocks \$1.1300; 500# Barrels \$1.1000; Process American 5# \$1.1825; Process American 2# \$1.2225

NONFAT DRY MILK: Nonfortified \$1.0470; Fortified \$1.0570; Instant \$1.2045

Dairy Cow & Total Cow Slaughter under Federal Inspection, by Regions & U.S., for Week Ending 04/12/97 & Comparable Week 1996

REGIONS*																					U.S. TOTAL		% DAIRY OF ALL							
	:	1	:	2	:	3	:	4	:	5	:	6	:	7	:	8	:	9	:	10	:	WEEK	:	SINCE JAN 1	:	WEEK	:	SINCE JAN 1		
1997-Dairy cows	HD	(000)	:	0.5	:	1.6	:	6.1	:	6.0	:	22.4	:	2.5	:	2.9	:	1.3	:	8.0	:	3.5	:	54.8	:	907.3	:	47.0	:	46.8
1996-Dairy cows	HD	(000)	:	0.4	:	1.2	:	6.7	:	6.3	:	20.7	:	2.1	:	4.8	:	1.7	:	8.5	:	3.0	:	55.4	:	894.9	:	44.1	:	46.3
1997-All cows	HD	(000)	:	0.5	:	1.6	:	8.5	:	17.9	:	29.2	:	13.4	:	17.9	:	8.3	:	11.7	:	7.4	:	116.5	:	1,937.6	:		:	
1996-All cows	HD	(000)	:	0.4	:	1.2	:	8.9	:	16.2	:	28.6	:	20.6	:	21.4	:	10.7	:	10.4	:	7.1	:	125.6	:	1,933.4	:		:	

*For source, states included in each region, and historical data, see "Dairy Market News", Vol. 55, Report No. 31

CCC MARKET PRICE PURCHASES (POUNDS) 5/01/97

	JUNE DELIVERY			JULY DELIVERY			AUGUST DELIVERY			SEPT DELIVERY			OCT DELIVERY		
PROCESS		PRICE RANGE			PRICE RANGE			PRICE RANGE			PRICE RANGE			PRICE RANGE	
5# LOAF	37,200	\$1.2300													
SLICED	483,600	\$1.2286-1.2343													
2# LOAF															
<u>MOZZARELLA</u>															
MOZZ.	120,960	\$1.2000-1.2020		1,572,480	\$1.1825-1.2195		483,840	\$1.2040-1.2390		443,520	\$1.2340-1.2490		725,760	\$1.2660-1.2810	
LITE MOZZ	161,280	\$1.3120		40,320	\$1.3030		40,320	\$1.3140		40,320	\$1.3360		40,320	\$1.3660	
SHRED LITE				201,600	\$1.3980		282,240	\$1.3810-1.4350		241,920	\$1.3910-1.4010		403,200	\$1.4460	
<u>AMERICAN</u>															
BLOCKS	199,750	\$1.2890-1.3113													
CHED CUTS	39,950	\$1.4400													
SHRED CHED	76,800	\$1.4334-1.4360													
REDUCED FAT	39,950	\$1.6900													
BARRELS	281,960	\$1.1300													
<u>NONFAT DRY MILK</u>															
INSTANT 6/4#	184,800	\$1.3325-1.4045													
INSTANT	376,320	\$1.4325-1.4835													
NDM	199,792	\$1.0985-1.1290													

CUMULATIVE TOTAL CHEESE PURCHASES SINCE 10/1/96 = 47,737,274

CUMULATIVE TOTAL NDM PURCHASES SINCE 10/1/96 = 8,062,910

BASIC FORMULA PRICE (BFP), MAY 1995* TO DATE & HISTORIC M-W (3.5% BF, \$/CWT.)

[illegible]